1. The basic real business cycle (RBC) model

   (a) Formulation

   (b) Computation (linearization / value function iteration / using Dynare)

   (c) Calibration

   (d) Model vs. facts: success and failure

   *Recommended readings*:

   - Cooley, Chapter 1 and 2.

   - Prescott,"Theory ahead of business cycle measurement", *Federal Reserve Bank of Minneapolis Quarterly Review*, 1986.

   - King, Plosser, and Rebelo, "Production, growth and business Cycles 1: The basic neoclassical model", *JME*, 1988.

2. Extensions of the RBC model

   (a) Indivisible labor

   (b) Fiscal shocks

   (c) Other extensions (investment shock / home production / international RBC / news shock)

   *Recommended readings*:

   - Hansen, "Indivisible labor and the business cycle", *JME*, 1985.

   - Rogerson, "Indivisible labor, lotteries and equilibrium", *JME*, 1988.

   - Christiano and Eichenbaum, "Current real-business-cycle theories and aggregate labor-market fluctuations", *AER*, 1992.

   - Braun, "Tax disturbances and real economic activity in the postwar United States", *JME*, 1994.

   - McGrattan, "The macroeconomic effects of distortionary taxation", *JME*, 1994.

   - McGrattan, "A progress report on business cycle models", *Federal Reserve Bank of Minneapolis Quarterly Review*, 1994.

   - Greenwood, Herkowitz, and Hoffman, "The allocation of capital and time over the business cycle", *JPE*, 1991.

   - Benhabib, Rogerson, and Wright, "Homework in macroeconomics: Household production and aggregate fluctuations", *JPE*, 1991.

- Jaimovich and Rebelo, "Can news about the future drive the business cycle?", *AER*, 2009.

- Backus, Kehoe, and Kydland, "International real business cycles", *JPE*, 1992.

- Backus, Kehoe, and Kydland, "International business cycles: theory and evidence", *Federal Reserve Bank of Minneapolis Quarterly Review*, 1995.

3. Money in RBC models

   (a) Money-in-the-Utility (MIU) model

   (b) Cash-in-Advance (CIA) model

   *Recommended readings*:

   - Walsh, Chapter 2 and 3.

4. New Keynesian models

   (a) Imperfect competition

   (b) Sticky prices and wages

   *Recommended readings*:

   - Walsh, Chapter 8.